

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 6951
OFFERED BY MS. LEGER FERNANDEZ OF NEW
MEXICO**

Strike section 212.

Add at the end of the bill the following:

1 **TITLE IV—GRANTS FOR TUI-**
2 **TION-FREE COMMUNITY COL-**
3 **LEGES**

4 **SEC. 401. PROGRAM AUTHORIZED.**

5 Title IV of the Higher Education Act of 1965 (20
6 U.S.C. 1070 et seq.) is amended by adding at the end
7 the following:

8 **“PART J—AMERICA’S COLLEGE PROMISE**
9 **FEDERAL-STATE PARTNERSHIP**

10 **“Subpart 1—Grants for Tuition-free Community**
11 **College**

12 **“SEC. 499A. IN GENERAL.**

13 “From amounts appropriated under section 499G for
14 any fiscal year, the Secretary shall award grants to eligible
15 States and eligible Tribal Colleges and Universities to pay

1 the Federal share of expenditures needed to carry out the
2 activities and services described in section 499E.

3 **“SEC. 499B. FEDERAL SHARE; NON-FEDERAL SHARE.**

4 “(a) FEDERAL SHARE.—

5 “(1) IN GENERAL.—

6 “(A) AMOUNT.—Subject to paragraph (2),
7 the amount of the Federal share of a grant
8 under this subpart shall be based on a formula,
9 determined by the Secretary, that provides, for
10 each eligible student enrolled in a community
11 college operated or controlled by the State or in
12 an eligible Tribal College or University, a per-
13 student amount that is equal to the applicable
14 percent described in subparagraph (B) of—

15 “(i) for the 2025–2026 award year,
16 the average unweighted resident commu-
17 nity college tuition and fees per student in
18 all States for the most recent year for
19 which data are available; and

20 “(ii) for each subsequent award year,
21 the amount determined under this para-
22 graph for the preceding award year, in-
23 creased by the lesser of—

24 “(I) a percentage equal to the es-
25 timated percentage increase in the

1 Consumer Price Index (as determined
2 by the Secretary) since the date of
3 such determination; or

4 “(II) 3 percent.

5 “(B) APPLICABLE PERCENT.—The appli-
6 cable percent for a State receiving a grant
7 under this subpart shall be—

8 “(i) for the 2025–2026 award year,
9 100 percent;

10 “(ii) for the 2026–2027 award year,
11 95 percent;

12 “(iii) for the 2027–2028 award year,
13 90 percent;

14 “(iv) for the 2028–2029 award year,
15 85 percent; and

16 “(v) for the 2029–2030 award year
17 and each subsequent award year, 80 per-
18 cent.

19 “(2) TRIBAL COLLEGES AND UNIVERSITIES.—
20 The amount of the Federal share for an eligible
21 Tribal College or University receiving a grant under
22 this subpart shall be the greater of—

23 “(A) 100 percent of the per-student
24 amount determined in accordance with clause
25 (i) or (ii) of paragraph (1)(A), as applicable,

1 with respect to eligible students enrolled in such
2 eligible Tribal College or University (based on
3 full-time equivalent enrollment); or

4 “(B) the amount that is 100 percent of the
5 total amount needed to set tuition and fees to
6 \$0 for all eligible students enrolled in such eligi-
7 ble Tribal College or University for the 2024–
8 2025 award year, increased by the percentage
9 increase in the Consumer Price Index (as deter-
10 mined by the Secretary) between July 1, 2024,
11 and the applicable award year, and adjusted to
12 reflect the enrollment in such eligible Tribal
13 College or University for such applicable award
14 year.

15 “(b) STATE SHARE.—

16 “(1) FORMULA.—

17 “(A) IN GENERAL.—Subject to subpara-
18 graph (B), the State share of a grant under
19 this subpart for each fiscal year shall be the
20 amount needed to pay the applicable percent
21 described in subparagraph (B) of the average
22 unweighted resident community college tuition
23 and fees per student in the 2025–2026 award
24 year for all eligible students in the State for
25 such award year.

1 “(B) APPLICABLE PERCENT.—The appli-
2 cable percentage shall be—

3 “(i) for the 2025–2026 award year, 0
4 percent;

5 “(ii) for the 2026–2027 award year, 5
6 percent;

7 “(iii) for the 2027–2028 award year,
8 10 percent;

9 “(iv) for the 2028–2029 award year,
10 15 percent; and

11 “(v) for the 2029–2030 award year
12 and each subsequent award year, 20 per-
13 cent.

14 “(C) OBLIGATION TO PROVIDE SHARE.—
15 The State shall provide the State share even if
16 the State is able to set tuition and fees charged
17 to eligible students attending community col-
18 leges operated or controlled by the State to \$0
19 as required by section 499D without such State
20 share.

21 “(D) NO DOUBLE COUNTING FUNDS.—No
22 funds that count toward the maintenance of ef-
23 fort requirement under section 499D(c) may
24 also count toward the State share under this
25 subsection.

1 “(E) SPECIAL RULE FOR OUTLYING AREAS
2 AND TERRITORIES.—

3 “(i) IN GENERAL.—If the Secretary
4 determines that requiring an outlying area
5 or territory to provide a State share in ac-
6 cordance with this subsection would rep-
7 resent a substantial hardship for the out-
8 lying area or territory, the Secretary shall
9 reduce or waive the State share for such
10 area or territory. If the Secretary so re-
11 duces or waives the amount of the State
12 share of an outlying area or territory, the
13 Secretary shall increase the applicable per-
14 cent used to calculate the Federal share
15 for such area or territory, in proportion to
16 the reduction in the applicable percent
17 used to calculate such State share.

18 “(ii) DEFINITION.—For the purposes
19 of this subparagraph, the term ‘outlying
20 area or territory’ means the Common-
21 wealth of Puerto Rico, the District of Co-
22 lumbia, Guam, American Samoa, the
23 United States Virgin Islands, the Com-
24 monwealth of the Northern Mariana Is-
25 lands, and the Freely Associated States.

1 “(2) INCLUSION OF STATE FINANCIAL AID AND
2 LOCAL FUNDS.—In the case of a State that dem-
3 onstrates to the satisfaction of the Secretary that
4 community colleges operated or controlled by such
5 State will not experience a net reduction in total
6 per-student revenue (including revenue derived from
7 tuition and fees) as compared to the preceding State
8 fiscal year in such State, a State may include, as
9 part of the State share—

10 “(A) any financial aid that is provided
11 from State funds to eligible students for such
12 students’ cost of attendance that is not awarded
13 predominantly on the basis of merit; and

14 “(B) any funds provided to community col-
15 leges by local governments in such State for the
16 purpose of carrying out this subpart, including
17 for the purpose of setting community college
18 tuition and fees for eligible students to \$0 as
19 required under section 499D.

20 “(3) RELATIONSHIP TO MAINTENANCE OF EF-
21 FORT.—The inclusion of funds described in para-
22 graph (2) as part of a State’s share shall modify the
23 maintenance of effort requirements under section
24 499D(c) in accordance with the provisions of—

1 “(A) section 499H(12)(B)(iii) with respect
2 to funds included under paragraph (2)(A); and

3 “(B) section 499H(12)(B)(ii), with respect
4 to funds included under paragraph (2)(B).

5 “(4) NO IN-KIND CONTRIBUTIONS.—A State
6 shall not include in-kind contributions for purposes
7 of the State share described in paragraph (1).

8 “(c) DETERMINING NUMBER OF ELIGIBLE STU-
9 DENTS.—

10 “(1) IN GENERAL.—For purposes of subsection
11 (a) and subsection (b), the Secretary shall develop
12 and implement a formula for accurately estimating
13 the number of eligible students and for making ad-
14 justments based on the number of eligible students
15 enrolled in the community colleges operated or con-
16 trolled by a State or in an eligible Tribal College or
17 University on less than a full-time basis and the as-
18 sociated tuition and fees charged to such students in
19 proportion to the degree to which each such student
20 is not attending on a full-time basis.

21 “(2) INITIAL DETERMINATION.—For the first
22 year for which grants are awarded under this sub-
23 part, the number of eligible students in a State or
24 eligible Tribal College or University shall be consid-
25 ered to be equal to the number of eligible students

1 who were in the State or eligible Tribal College or
2 University for the preceding school year.

3 “(d) ADJUSTMENT OF GRANT AMOUNT.—Not later
4 than 180 days after the date on which a State or eligible
5 Tribal College or University receives a grant under this
6 subpart, the Secretary shall—

7 “(1) in consultation with the State or eligible
8 Tribal College or University concerned, determine
9 whether the actual number of eligible students in the
10 State or eligible Tribal College or University for the
11 year covered by the grant is greater than the esti-
12 mated number of such students that was used to de-
13 termine the amount of the grant; and

14 “(2) in the case of a determination under para-
15 graph (1) that the actual number of eligible students
16 in the State or eligible Tribal College or University
17 is higher than such estimate, issue a supplementary
18 grant payment to the State or eligible Tribal College
19 or University in an amount that ensures that the
20 total amount of the grant funds received by the
21 State or eligible Tribal College or University under
22 this subpart for the year covered by the grant accu-
23 rately reflects the higher number of eligible students.

24 “(e) COMMUNITY COLLEGES OPERATED OR CON-
25 TROLLED BY STATE TO INCLUDE COMMUNITY COLLEGES

1 OPERATED OR CONTROLLED BY LOCAL GOVERNMENTS
2 WITHIN THE STATE.—For purposes of this subpart, the
3 term ‘community college operated or controlled by a State’
4 shall include a community college operated or controlled
5 by a local government within such State.

6 “(f) INAPPLICABILITY OF STATE REQUIREMENTS TO
7 ELIGIBLE TCUS.—The Secretary may not apply any re-
8 quirements applicable only to States under this subpart
9 to an eligible Tribal College or University, including the
10 requirements under subsection (b) and subsection (b) and
11 (c) of section 499D.

12 **“SEC. 499C. APPLICATIONS.**

13 “(a) SUBMISSION.—In order to receive a grant under
14 this subpart, a State or an eligible Tribal College or Uni-
15 versity shall submit an application to the Secretary at such
16 time, in such manner, and containing such information as
17 the Secretary may require.

18 “(b) CONTENTS.—Each application under subsection
19 (a) shall include—

20 “(1) an estimate of the number of eligible stu-
21 dents enrolled in the community colleges operated or
22 controlled by the State or in the eligible Tribal Col-
23 lege or University and the cost of waiving commu-
24 nity college tuition and fees for all eligible students
25 for each award year covered by the grant;

1 “(2) in the case of a State, a list of each of the
2 community colleges operated or controlled by the
3 State;

4 “(3) an assurance that each community college
5 operated or controlled by the State, or the eligible
6 Tribal College or University, as applicable, will set
7 community college tuition and fees for eligible stu-
8 dents to \$0 as required by section 499D(a);

9 “(4) a description of the promising and evi-
10 dence-based institutional reforms and innovative
11 practices to improve student outcomes, including
12 transfer and completion rates, that have been or will
13 be adopted by each such community college, such
14 as—

15 “(A) providing comprehensive academic,
16 career, and student support services (including
17 mentoring, advising, case management services,
18 and career pathway navigation), especially for
19 low-income, first-generation, and adult stu-
20 dents, and other students belonging to racial
21 and other groups that are historically underrep-
22 resented in higher education;

23 “(B) providing direct support services, or
24 assistance in applying for such services, such
25 as—

1 “(i) childcare, transportation, and
2 emergency financial assistance;

3 “(ii) assistance in obtaining health in-
4 surance coverage and accessing health care
5 services, including behavioral and mental
6 health services;

7 “(iii) affordable housing;

8 “(iv) nutrition assistance programs or
9 free or discounted food; and

10 “(v) means-tested Federal benefit pro-
11 grams, or similar State, tribal, or local
12 benefit programs;

13 “(C) providing accelerated learning oppor-
14 tunities, such as dual or concurrent enrollment
15 programs, including early college high school
16 programs, and reforming course scheduling and
17 credit awarding policies to better meet the
18 needs of students and shorten time to comple-
19 tion;

20 “(D) strengthening and reforming remedial
21 and developmental education, especially for low-
22 income, first-generation, and adult students,
23 and other students belonging to racial and
24 other groups that are historically underrep-
25 resented in higher education, including through

1 the use of multiple measures (such as a stu-
2 dent's college entrance examination score, grade
3 point average, high school course list, or a
4 placement examination) to identify students in
5 need of remedial education;

6 “(E) utilizing career pathways, including
7 through building capacity for career and tech-
8 nical education, as defined in section 3(5) of
9 the Carl D. Perkins Career and Technical Edu-
10 cation Act of 2006 (20 U.S.C. 2302(5)), and
11 programs of study, as defined in section 3(41)
12 of such Act (20 U.S.C. 2302(41)), or degree
13 pathways; or

14 “(F) providing expanded opportunities for
15 participating in work-based learning, which may
16 include apprenticeship programs, in students'
17 programs of study;

18 “(5) a description of how the State or eligible
19 Tribal College or University will ensure that pro-
20 grams leading to a recognized postsecondary creden-
21 tial meet the quality criteria established by the State
22 under section 122(b)(1) of the Workforce Innovation
23 and Opportunity Act (29 U.S.C. 3152(b)(1)) or
24 other quality criteria determined appropriate by the
25 State or eligible Tribal College or University;

1 “(6) an assurance that each community college
2 operated or controlled by the State or the eligible
3 Tribal College or University, as applicable, has en-
4 tered into a program participation agreement under
5 section 487;

6 “(7) an assurance that the State or eligible
7 Tribal College or University will assist eligible stu-
8 dents in obtaining information about and accessing
9 means-tested Federal benefit programs and similar,
10 State, tribal, and local benefit programs that can
11 provide financial assistance for any component of
12 the student’s cost of attendance, as defined under
13 section 472, other than tuition and fees;

14 “(8) an assurance that, for each year of the
15 grant, the State or eligible Tribal College or Univer-
16 sity will notify each eligible student of the student’s
17 remaining eligibility for assistance under this sub-
18 part;

19 “(9) if the application is submitted by a
20 State—

21 “(A) a description of how the State will
22 support the scaling and increased adoption of
23 the reforms and practices described in para-
24 graph (4);

1 “(B) an assurance that the State will, to
2 the extent practicable, consider changes to
3 State law that will enable more community col-
4 lege students to be eligible for means-tested
5 Federal benefit programs and similar State
6 benefit programs;

7 “(C) an assurance that the State will meet
8 the requirements of section 499D(b)(1) relating
9 to the alignment of secondary and postsec-
10 ondary education; and

11 “(D) an assurance that the State will meet
12 the requirements of section 499D(b)(2) relating
13 to the improvement of transfer pathways be-
14 tween institutions of higher education; and

15 “(10) an assurance that the State or eligible
16 Tribal College or University will clearly communicate
17 to prospective students, including students with
18 prior college experience who have not completed a
19 postsecondary degree or credential, their families,
20 and the general public—

21 “(A) plans to implement the program
22 funded under this subpart; and

23 “(B) how eligible students can attend a
24 community college operated or controlled by the

1 State or eligible Tribal College or University
2 without paying tuition and fees.

3 **“SEC. 499D. PROGRAM REQUIREMENTS.**

4 “(a) GENERAL REQUIREMENTS.—As a condition of
5 receiving a grant under this subpart, a State or eligible
6 Tribal College or University shall meet the following re-
7 quirements:

8 “(1) Ensure that the total amount of tuition
9 and fees charged to an eligible student in the State
10 or the eligible Tribal College or University shall be
11 \$0.

12 “(2) For each year of the grant no amount of
13 financial assistance for which an eligible student
14 qualifies may be applied to such tuition or fees.

15 “(3) The State or eligible Tribal College or
16 University may not use any funds provided under
17 this subpart for administrative purposes relating to
18 such grant.

19 “(b) STATE REQUIREMENTS.—In addition to the re-
20 quirements under subsection (a), as a condition of receiv-
21 ing a grant under this subpart, a State shall meet the fol-
22 lowing requirements:

23 “(1) ALIGNMENT OF K-12 AND HIGHER EDU-
24 CATION.—

25 “(A) IN GENERAL.—The State shall—

1 “(i) submit a plan to align the re-
2 quirements for receiving a regular high
3 school diploma from public schools in the
4 State with the requirements for entering
5 credit-bearing coursework at community
6 colleges in such State; and

7 “(ii) not later than 3 years after the
8 date on which the State first receives a
9 grant under this subpart, certify to the
10 Secretary that such alignment has been
11 achieved.

12 “(B) FAILURE TO CERTIFY.—If a State
13 does not provide the certification required
14 under subparagraph (A) by the date specified in
15 such subparagraph, the State shall submit to
16 the Secretary, at such time and in such manner
17 as the Secretary may require—

18 “(i) a written explanation for the
19 delay in making the certification; and

20 “(ii) a plan that will enable the State
21 to make the certification by not later than
22 5 years after the date on which the State
23 first received a grant under this sub-
24 part.\art.

25 “(2) TRANSFER PATHWAYS.—

1 “(A) IN GENERAL.—The State shall—

2 “ (i) submit a plan, developed in col-
3 laboration with faculty from institutions of
4 higher education in the State, to improve
5 transfer pathways between institutions of
6 higher education in the State, including
7 by—

8 “ (I) ensuring that associate de-
9 grees awarded by community colleges
10 in the State are fully transferable to,
11 and credited as, the first 2 years of
12 related baccalaureate programs at
13 public institutions of higher education
14 in such State;

15 “ (II) increasing the transfer-
16 ability of individual courses within the
17 certificate or associate programs of-
18 fered by community colleges in the
19 State to related baccalaureate pro-
20 grams offered by institutions of higher
21 education in such State to maximize
22 the transferability of credits for stu-
23 dents who transfer before completing
24 an associate degree;

1 “(III) expanding the use of re-
2 verse transfer policies that allow insti-
3 tutions to—

4 “(aa) implement the process
5 of retroactively granting a certifi-
6 cate or associate degree to stu-
7 dents who had not completed the
8 requirements for such certificate
9 or degree before they transferred;
10 and

11 “(bb) allow academic credits
12 for coursework completed at a 4-
13 year institution to be applied to a
14 previously attended community
15 college for the purpose of obtain-
16 ing an associate degree or a cer-
17 tificate; and

18 “(IV) ensuring that students at-
19 tending community colleges in the
20 State have access to comprehensive
21 counseling regarding the process for
22 transferring to a 4-year institution of
23 higher education; and

24 “(ii) not later than 3 years after the
25 date on which the State first receives a

1 grant under this subpart, certify to the
2 Secretary that the State is carrying out
3 the plan submitted in accordance with
4 clause (i) and is meeting the requirements
5 of subclauses (I) through (IV) of such
6 clause.

7 “(B) FAILURE TO CERTIFY.—If a State
8 does not provide the certification required
9 under subparagraph (A) by the date specified in
10 such subparagraph, the State shall submit to
11 the Secretary, at such time and in such manner
12 as the Secretary may require—

13 “(i) a written explanation for the
14 delay in making the certification; and

15 “(ii) a plan that will enable the State
16 to make the certification by not later than
17 5 years after the date on which the State
18 first received a grant under this subpart.

19 “(3) APPLICABILITY.—The Secretary may not
20 apply the requirements under this subsection to an
21 eligible Tribal College or University.

22 “(c) STATE MAINTENANCE OF EFFORT.—A State re-
23 ceiving a grant under this subpart shall be entitled to re-
24 ceive its full allotment of funds under this subpart for a

1 fiscal year only if, for each year of the grant, the State
2 provides—

3 “(1) State fiscal support for higher education
4 per full-time equivalent student at a level equal to or
5 exceeding the average amount of State fiscal support
6 for higher education per full-time equivalent student
7 provided for the 3 consecutive preceding fiscal years;

8 “(2) financial support for operating expenses
9 (excluding capital expenses and research and devel-
10 opment costs) for public 4-year institutions of higher
11 education at a level equal to or exceeding the aver-
12 age amount provided for the 3 consecutive preceding
13 State fiscal years; and

14 “(3) financial support for need-based financial
15 aid at a level equal to or exceeding the average
16 amount provided for the 3 consecutive preceding
17 State fiscal years.

18 “(d) NO ADDITIONAL ELIGIBILITY REQUIRE-
19 MENTS.—A State or eligible Tribal College or University
20 that receives a grant under this subpart may not impose
21 additional eligibility requirements on eligible students
22 other than the requirements under this subpart.

23 “(e) ELIGIBILITY FOR BENEFITS.—No individual
24 shall be determined to be ineligible to receive benefits pro-
25 vided under this subpart (including tuition and fees set

1 to \$0 and other aid provided under this subpart) on the
2 basis of citizenship, alienage, or immigration status.

3 **“SEC. 499E. ALLOWABLE USES OF FUNDS.**

4 “(a) IN GENERAL.—Except as provided in subsection
5 (b), a State or eligible Tribal College or University shall
6 use a grant under this subpart only to ensure that the
7 total amount of tuition and fees charged to an eligible stu-
8 dent in the State or the eligible Tribal College or Univer-
9 sity shall be \$0.

10 “(b) ADDITIONAL USES.—If a State or an eligible
11 Tribal College or University demonstrates to the Secretary
12 that the State or eligible Tribal College or University has
13 grant funds remaining after meeting the demand for ac-
14 tivities described in subsection (a), the State or eligible
15 Tribal College or University may use those funds to carry
16 out 1 or more of the following:

17 “(1) Providing need-based financial aid to stu-
18 dents that may be used by such students to pay any
19 component of cost of attendance, as defined under
20 section 472.

21 “(2) Improving student outcomes by imple-
22 menting evidence-based institutional reforms or
23 practices.

24 “(3) Enhancing the quality and equity of public
25 higher education to improve student outcomes, in-

1 cluding transfer and completion rates and labor
2 market outcomes.

3 “(4) Investing in and diversifying the academic
4 workforce.

5 “(5) Expanding the scope and capacity of high-
6 quality academic and occupational skills training
7 programs at community colleges, which may include
8 collaboration with one or more industry or sector
9 partnerships (as defined in section 3 of the Work-
10 force Innovation and Opportunity Act (29 U.S.C.
11 3201)).

12 “(6) Improving postsecondary education readi-
13 ness in the State, including through outreach and
14 early intervention.

15 “(7) Expanding access to dual or concurrent
16 enrollment programs, such as early college high
17 school programs.

18 “(8) Reducing unmet need at public 4-year in-
19 stitutions of higher education.

20 “(c) USE OF FUNDS FOR ADMINISTRATIVE PUR-
21 POSES.—A State or Tribal College or University that re-
22 ceives a grant under this subpart may not use any funds
23 provided under this subpart for administrative purposes
24 relating to such grant.

1 “(d) SUPPLEMENT, NOT SUPPLANT.—Funds made
2 available under this subpart shall be used to supplement,
3 and not supplant, other Federal, State, tribal, and local
4 funds that would otherwise be expended to carry out ac-
5 tivities described in this section.

6 “(e) REPORT REQUIREMENTS.—

7 “(1) REPORTING BY STATES.—A State receiv-
8 ing a grant under this subpart shall submit to the
9 Secretary an annual report that shall include—

10 “(A) the uses of grant funds under this
11 subpart;

12 “(B) the progress made in fulfilling the re-
13 quirements of the grant;

14 “(C) the rates of transfer, graduation, and
15 attainment of recognized postsecondary creden-
16 tials at participating community colleges,
17 disaggregated by race, income, and age; and

18 “(D) any other information that the Sec-
19 retary may require.

20 “(2) REPORTING BY SECRETARY.—The Sec-
21 retary shall, on an annual basis—

22 “(A) compile and analyze the information
23 described in paragraph (1); and

24 “(B) prepare and submit to the author-
25 izing committees a report containing—

1 “(i) the analysis described in subpara-
2 graph (A); and

3 “(ii) an identification of State and
4 best practices for achieving the purpose of
5 this subpart.

6 “(f) TECHNICAL ASSISTANCE.—The Secretary shall
7 provide technical assistance to States and eligible Tribal
8 Colleges and Universities concerning best practices re-
9 garding the promising and evidence-based institutional re-
10 forms and innovative practices to improve student out-
11 comes and shall disseminate such best practices among
12 such entities.

13 “(g) CONTINUATION OF FUNDING.—

14 “(1) IN GENERAL.—Except as provided in para-
15 graph (2), a State or an eligible Tribal College or
16 University receiving a grant under this subpart for
17 a fiscal year may continue to receive funding under
18 this subpart for future fiscal years conditioned on
19 the availability of budget authority and on meeting
20 the requirements of the grant, as determined by the
21 Secretary.

22 “(2) DISCONTINUATION.—The Secretary may
23 discontinue funding of the Federal share of a grant
24 under this subpart if the State or eligible Tribal Col-
25 lege or University has violated the terms of the

1 grant or is not making adequate progress in imple-
2 menting the reforms described in the application
3 submitted under section 499C.

4 “(h) **RULE OF CONSTRUCTION REGARDING BIE**
5 **FUNDS.**—Nothing in this subpart shall be construed to
6 impact the availability of funds from, or uses of funds pro-
7 vided by, the Bureau of Indian Education for Tribal Col-
8 leges and Universities.

9 “**SEC. 499F. AUTOMATIC STABILIZERS FOR AMERICA’S COL-**
10 **LEGE PROMISE.**

11 “(a) **MAINTENANCE OF EFFORT RELIEF.**—Notwith-
12 standing subsection (c) of section 499D, a State that
13 meets the qualifying spending requirements may request
14 a waiver of the requirements under such subsection (c).
15 The Secretary shall waive the requirements of such sub-
16 section (c) for a State that makes a qualifying request
17 under this subsection as follows:

18 “(1) **TIER I.**—With respect to each State eligi-
19 ble for relief under tier I, such requirements shall be
20 waived for the fiscal year succeeding the fiscal year
21 in which the determination of the State’s eligibility
22 for such relief is made.

23 “(2) **TIERS II THROUGH V.**—With respect to
24 each State eligible for relief under tier II, III, IV,

1 or V, such requirements shall be waived, in accord-
2 ance with subsection (d), for—

3 “(A) the fiscal year in which the deter-
4 mination of the State’s eligibility for such relief
5 is made;

6 “(B) the fiscal year succeeding the fiscal
7 year described in subparagraph (A); or

8 “(C) both such fiscal years.

9 “(b) STATE SHARE RELIEF.—

10 “(1) STATE MATCH RELIEF.—Notwithstanding
11 subsection (b) of section 499B, a State that is eligi-
12 ble for relief under tier II, III, IV, or V may request
13 relief with respect to the requirements of such sub-
14 section (b). The Secretary shall provide relief from
15 the requirements of such subsection (b), for the ap-
16 plicable fiscal year or years, for a State that makes
17 a qualifying request under this paragraph as follows:

18 “(A) TIER II.—With respect to a State
19 that is eligible for relief under tier II, the Sec-
20 retary shall—

21 “(i) apply section 499B(a)(1)(B)(v)
22 by substituting ‘85 percent’ for ‘80 per-
23 cent’; and

1 “(ii) apply section 499B(b)(1)(B)(v)
2 by substituting ‘15 percent’ for ‘20 per-
3 cent’.

4 “(B) TIER III.—With respect to a State
5 that is eligible for relief under tier III, the Sec-
6 retary shall—

7 “(i) apply section 499B(a)(1)(B)(v)
8 by substituting ‘90 percent’ for ‘80 per-
9 cent’;

10 “(ii) apply section 499B(b)(1)(B)(v)
11 by substituting ‘10 percent’ for ‘20 per-
12 cent’;

13 “(iii) apply section 499B(a)(1)(B)(iv)
14 by substituting ‘90 percent’ for ‘85 per-
15 cent’; and

16 “(iv) apply section 499B(b)(1)(B)(iv)
17 by substituting ‘10 percent’ for ‘15 per-
18 cent’

19 “(C) TIER IV.—With respect to a State
20 that is eligible for relief under tier IV, the Sec-
21 retary shall—

22 “(i) apply section 499B(a)(1)(B)(v)
23 by substituting 95 percent’ for ‘80 per-
24 cent’;

1 “(ii) apply section 499B(b)(1)(B)(v)
2 by substituting ‘5 percent’ for ‘20 percent’;

3 “(iii) apply section 499B(a)(1)(B)(iv)
4 by substituting ‘95 percent’ for ‘85 per-
5 cent’;

6 “(iv) apply section 499B(b)(1)(B)(iv)
7 by substituting ‘5 percent’ for ‘15 percent’;

8 “(v) apply section 499B(a)(1)(B)(iii)
9 by substituting ‘95 percent’ for ‘90 per-
10 cent’; and

11 “(vi) apply section 499B(b)(1)(B)(iii)
12 by substituting ‘5 percent’ for ‘10 percent’.

13 “(D) TIER V.—With respect to a State
14 that is eligible for relief under tier V, the Sec-
15 retary shall—

16 “(i) apply section 499B(a)(1)(B)(v)
17 by substituting ‘100 percent’ for ‘80 per-
18 cent’;

19 “(ii) apply section 499B(b)(1)(B)(v)
20 by substituting ‘0 percent’ for ‘20 percent’;

21 “(iii) apply section 499B(a)(1)(B)(iv)
22 by substituting ‘100 percent’ for ‘85 per-
23 cent’;

24 “(iv) apply section 499B(b)(1)(B)(iv)
25 by substituting ‘0 percent’ for ‘15 percent’;

1 “(v) apply section 499B(a)(1)(B)(iii)
2 by substituting ‘100 percent’ for ‘90 per-
3 cent’;

4 “(vi) apply section 499B(b)(1)(B)(iii)
5 by substituting ‘0 percent’ for ‘10 percent’;

6 “(vii) apply section 499B(a)(1)(B)(ii)
7 by substituting ‘100 percent’ for ‘95 per-
8 cent’; and

9 “(viii) apply section 499B(b)(1)(B)(ii)
10 by substituting ‘0 percent’ for ‘5 percent’.

11 “(2) APPLICABLE FISCAL YEARS.—With respect
12 to each State eligible for relief under tier II, III, IV,
13 or V, the Secretary shall provide the relief under
14 paragraph (1), in accordance with subsection (d),
15 for—

16 “(A) the fiscal year in which the deter-
17 mination of the State’s eligibility for such relief
18 is made;

19 “(B) the fiscal year succeeding the fiscal
20 year described in subparagraph (A); or

21 “(C) both such fiscal years.

22 “(c) STATE ELIGIBILITY.—A State’s eligibility for re-
23 lief under this section shall be determined as follows:

24 “(1) TIER I.—A State shall be eligible for relief
25 under tier I for a fiscal year in which—

1 “(A)(i) the State was in an elevated unem-
2 ployment period at any point in the fiscal year;
3 or

4 “(ii) the Nation as a whole was in an ele-
5 vated unemployment period at any point in the
6 fiscal year; and

7 “(B) the State is not eligible for relief
8 under any other tier.

9 “(2) TIER II.—A State shall be eligible for re-
10 lief under tier II for a fiscal year in which—

11 “(A)(i) the State average unemployment
12 rate was equal to or greater than 6.5 percent
13 but less than 7.5 percent at any point in the
14 fiscal year; or

15 “(ii) the national average unemployment
16 rate is equal to or greater than 6.5 percent but
17 less than 7.5 percent at any point in the fiscal
18 year; and

19 “(B) the State is not eligible for relief
20 under tier III, IV, or V.

21 “(3) TIER III.—A State shall be eligible for re-
22 lief under tier III for a fiscal year in which—

23 “(A)(i) the State average unemployment
24 rate was equal to or greater than 7.5 percent

1 but less than 8.5 percent at any point in the
2 fiscal year; or

3 “(ii) the national average unemployment
4 rate is equal to or greater than 7.5 percent but
5 less than 8.5 percent at any point in the fiscal
6 year; and

7 “(B) the State is not eligible for relief
8 under tier IV or V.

9 “(4) TIER IV.—A State shall be eligible for re-
10 lief under tier IV for a fiscal year in which—

11 “(A)(i) the State average unemployment
12 rate was equal to or greater than 8.5 percent
13 but less than 9.5 percent at any point in the
14 fiscal year; or

15 “(ii) the national average unemployment
16 rate is equal to or greater than 8.5 percent but
17 less than 9.5 percent at any point in the fiscal
18 year; and

19 “(B) the State is not eligible for relief
20 under tier V.

21 “(5) TIER V.—A State shall be eligible for relief
22 under tier V for a fiscal year in which—

23 “(A) the State average unemployment rate
24 was equal to or greater than 9.5 percent at any
25 point in the fiscal year; or

1 “(B) the national average unemployment
2 rate is equal to or greater than 9.5 percent at
3 any point in the fiscal year.

4 “(d) DISCRETION IN THE PROVISION OF RELIEF.—
5 In determining the fiscal years for which to provide relief
6 in accordance with subsections (a)(2) and (b) to a State
7 that is eligible under tier II, III, IV, or V, the Secretary
8 shall take into account the following:

9 “(1) In the case of a State that requests relief
10 under subsection (a)(2), the fiscal years for which
11 the State requests such relief, including—

12 “(A) if the State requests such relief for
13 the fiscal year for which the determination of
14 the State’s eligibility for such relief is made, the
15 amount by which the State is unable to meet
16 the requirements of section 499D(c) for such
17 fiscal year; and

18 “(B) if the State requests such relief for
19 the fiscal year succeeding the year described in
20 subparagraph (A), the amount by which the
21 State anticipates being unable to meet such re-
22 quirements for such succeeding fiscal year.

23 “(2) In the case of a State that requests relief
24 under subsection (b), the fiscal years for which the
25 State requests such relief, including—

1 “(A) if the State requests such relief for
2 the fiscal year for which the determination of
3 the State’s eligibility for such relief is made, the
4 extent to which the State is unable to meet the
5 requirements of section 499B(b) for such fiscal
6 year; and

7 “(B) if the State requests such relief for
8 the fiscal year succeeding the year described in
9 subparagraph (A), the extent to which the State
10 anticipates being unable to meet such require-
11 ments for such succeeding fiscal year.

12 “(3) The actual or anticipated timing, severity,
13 and duration of the unemployment rate increase
14 during—

15 “(A) the fiscal year for which the deter-
16 mination of the State’s eligibility for such relief
17 is made;

18 “(B) the fiscal year succeeding the fiscal
19 year described in subparagraph (A); and

20 “(C) the fiscal year preceding the fiscal
21 year described in subparagraph (A).

22 “(4) Other factors determined to be relevant by
23 the Secretary.

24 “(e) CONTINUED PAYMENT TO EMPLOYEES.—A
25 State that receives relief under subsection (a) or (b) shall,

1 to the greatest extent practicable, continue to pay its em-
2 ployees of, and contractors with, public institutions of
3 higher education in the State during the period in which
4 the State is receiving such relief.

5 “(f) DEFINITIONS.—In this section:

6 “(1) ELEVATED UNEMPLOYMENT PERIOD.—

7 The term ‘elevated unemployment period’—

8 “(A) when used with respect to the Nation
9 as a whole, means a consecutive, 3-month pe-
10 riod in a fiscal year in which the national aver-
11 age unemployment rate is not less than 0.5 per-
12 centage points above the lowest national aver-
13 age unemployment rate for the 12-month period
14 preceding such 3-month period; and

15 “(B) when used with respect to a State,
16 means a consecutive, 3-month period in a fiscal
17 year in which the State average unemployment
18 rate is not less than 0.5 percentage points
19 above the lowest State average unemployment
20 rate for the 12-month period preceding such 3-
21 month period.

22 “(2) QUALIFYING SPENDING REQUIREMENTS.—

23 The term ‘qualifying spending requirements’ means
24 the requirements that a State not disproportionately
25 decrease spending for any of the categories described

1 in paragraphs (1) through (3) of section 499D(c)
2 relative to such State's overall, average decrease in
3 spending for the 3 consecutive preceding fiscal years.

4 “(3) NATIONAL AVERAGE UNEMPLOYMENT
5 RATE.—The term ‘national average unemployment
6 rate’ means the average (seasonally adjusted) rate of
7 total unemployment in all States for a consecutive,
8 3-month period in a fiscal year, based on data from
9 the Bureau of Labor Statistics of the Department of
10 Labor.

11 “(4) STATE AVERAGE UNEMPLOYMENT RATE.—
12 The term ‘State average unemployment rate’ means
13 the average (seasonally adjusted) rate of total unem-
14 ployment in a State for a consecutive, 3-month pe-
15 riod in a fiscal year, based on data from the Bureau
16 of Labor Statistics of the Department of Labor.

17 **“SEC. 499G. APPROPRIATIONS.**

18 “There are authorized to be appropriated, and there
19 are appropriated to carry out this subpart (in addition to
20 any other amounts appropriated to carry out this subpart
21 and out of any money in the Treasury not otherwise ap-
22 propriated), such sums as may be necessary for fiscal year
23 2025 and each succeeding fiscal year.

24 **“SEC. 499H. DEFINITIONS.**

25 “In this subpart:

1 “(1) APPRENTICESHIP.—The term ‘apprentice-
2 ship’ means an apprenticeship program registered
3 under the Act of August 16, 1937 (commonly known
4 as the ‘National Apprenticeship Act’; 50 Stat. 664,
5 chapter 663; 29 U.S.C. 50 et seq.).

6 “(2) CAREER PATHWAY.—The term ‘career
7 pathway’ has the meaning given the term in section
8 3 of the Workforce Innovation and Opportunity Act
9 (29 U.S.C. 3102).

10 “(3) COMMUNITY COLLEGE.—The term ‘com-
11 munity college’ means—

12 “(A) a degree-granting public institution of
13 higher education at which—

14 “(i) the highest degree awarded is an
15 associate degree; or

16 “(ii) an associate degree is the pre-
17 dominant degree awarded;

18 “(B) an eligible Tribal College or Univer-
19 sity;

20 “(C) a degree-granting branch campus of a
21 4-year public institution of higher education if,
22 at such branch campus—

23 “(i) the highest degree awarded is an
24 associate degree; or

1 “(ii) an associate degree is the pre-
2 dominant degree awarded; or

3 “(D) at the designation of the Secretary,
4 in the case of a State that does not operate or
5 control any institution that meets a definition
6 under subparagraph (A) or (C), a college or
7 similarly defined and structured academic enti-
8 ty—

9 “(i) that was in existence on July 1,
10 2021;

11 “(ii) within a 4-year public institution
12 of higher education; and

13 “(iii) at which—

14 “(I) the highest degree awarded
15 is an associate degree; or

16 “(II) an associate degree is the
17 predominant degree awarded.

18 “(4) DUAL OR CONCURRENT ENROLLMENT
19 PROGRAM.—The term ‘dual or concurrent enrollment
20 program’ has the meaning given the term in section
21 8101 of the Elementary and Secondary Education
22 Act of 1965.

23 “(5) EARLY COLLEGE HIGH SCHOOL.—The
24 term ‘early college high school’ has the meaning

1 given the term in section 8101 of the Elementary
2 and Secondary Education Act of 1965.

3 “(6) ELIGIBLE STUDENT.—The term ‘eligible
4 student’ means a student who—

5 “(A) is enrolled as an undergraduate stu-
6 dent in an eligible program (as defined in sec-
7 tion 481(b)) at a community college on not less
8 than a half-time basis;

9 “(B) in the case of a student who is en-
10 rolled in a community college that charges dif-
11 ferent tuition rates on the basis of in-State or
12 in-district residency, either—

13 “(i) qualifies for in-State or in-district
14 resident community college tuition; or

15 “(ii) would qualify for such in-State
16 or in-district resident tuition at such com-
17 munity college, but for the immigration
18 status of such student; and

19 “(C) has not been enrolled (whether full-
20 time or less than full-time) for more than 6 se-
21 mesters (or the equivalent) for which commu-
22 nity college tuition and fees of the student were
23 set to \$0 pursuant to section 499D(a);

1 “(D) is not enrolled in a dual or concur-
2 rent enrollment program or early college high
3 school; and

4 “(E) in the case of a student who is a
5 United States citizen, has filed a FAFSA de-
6 scribed in section 483 for the applicable award
7 year for which the student is enrolled.

8 “(7) ELIGIBLE TRIBAL COLLEGE OR UNIVER-
9 SITY.—The term ‘eligible Tribal College or Univer-
10 sity’ means—

11 “(A) a 2-year Tribal College or University;
12 or

13 “(B) a degree-granting Tribal College or
14 University—

15 “(i) at which the highest degree
16 awarded is an associate degree; or

17 “(ii) an associate degree is the pre-
18 dominant degree awarded.

19 “(8) EVIDENCE-BASED INSTITUTIONAL RE-
20 FORMS AND INNOVATIVE PRACTICES.—The term
21 ‘evidence-based institutional reforms and innovative
22 practices’ means practices or reforms that meet the
23 criteria for ‘evidence tier 1’ and ‘evidence tier 2’
24 under section 4611(a)(2) of the Elementary and

1 Secondary Education Act of 1965, as determined by
2 the Secretary in accordance with such section.

3 “(9) INSTITUTION OF HIGHER EDUCATION.—
4 The term ‘institution of higher education’ has the
5 meaning given the term in section 101.

6 “(10) MEANS-TESTED FEDERAL BENEFIT PRO-
7 GRAM.—The term ‘means-tested Federal benefit pro-
8 gram’ has the meaning given the term in section
9 479.

10 “(11) RECOGNIZED POSTSECONDARY CREDEN-
11 TIAL.—The term ‘recognized postsecondary creden-
12 tial’ has the meaning given the term in section 3 of
13 the Workforce Innovation and Opportunity Act (29
14 U.S.C. 3102).

15 “(12) STATE FISCAL SUPPORT FOR HIGHER
16 EDUCATION.—

17 “(A) INCLUSIONS.—

18 “(i) IN GENERAL.—Except as pro-
19 vided in subparagraph (B), the term ‘State
20 fiscal support for higher education’, used
21 with respect to a State for a fiscal year,
22 means an amount that is equal to—

23 “(I) the gross amount of applica-
24 ble State funds appropriated or dedi-
25 cated, and expended by the State, in-

1 including funds from lottery receipts, in
2 the fiscal year, that are used to sup-
3 port institutions of higher education
4 and student financial aid for higher
5 education in the State; and

6 “(II) any funds described in
7 clause (ii).

8 “(ii) LOCAL FUNDS.—In the case of a
9 State that includes, as part of the State
10 share under section 499B(b)(2)(B) for an
11 award year, funds provided to community
12 colleges by local governments in such State
13 for the purpose of carrying out this sub-
14 part, local funds provided to community
15 colleges operated or controlled by such
16 State for operating expenses (excluding
17 capital expenses and research and develop-
18 ment costs) shall be included in the cal-
19 culation of the State fiscal support for
20 higher education for such award year
21 under clause (i).

22 “(B) EXCLUSIONS.—State fiscal support
23 for higher education for a State for a fiscal
24 year shall not include—

1 “(i) funds described in subparagraph
2 (A)(i) that are returned to the State;

3 “(ii) State-appropriated funds derived
4 from Federal sources, including funds pro-
5 vided under section 499B(b) and section
6 499J(b);

7 “(iii) funds that are included in the
8 State share under section 499B(b) (except
9 as provided in subparagraph (A)(ii) of this
10 paragraph), including funds included in
11 the State share in accordance with para-
12 graph (2)(A) of such section;

13 “(iv) amounts that are portions of
14 multiyear appropriations to be distributed
15 over multiple years that are not to be
16 spent for the year for which the calculation
17 under this paragraph is being made, sub-
18 ject to subparagraph (C);

19 “(v) tuition, fees, or other educational
20 charges paid directly by a student to a
21 public institution of higher education or to
22 the State;

23 “(vi) funds for—

24 “(I) financial aid to students at-
25 tending, or operating expenses of—

1 “(aa) out-of-State institu-
2 tions of higher education;

3 “(bb) proprietary institu-
4 tions of higher education (as de-
5 fined in section 102(b)); or

6 “(cc) institutions of higher
7 education not accredited by an
8 agency or association recognized
9 by the Secretary pursuant to sec-
10 tion 496;

11 “(II) financial aid to students
12 awarded predominantly on the basis
13 of merit, including programs awarded
14 on the basis of predicted or actual
15 academic performance or assessment;

16 “(III) research and development;

17 “(IV) hospitals, athletics, or
18 other auxiliary enterprises; or

19 “(V) corporate or other private
20 donations directed to 1 or more insti-
21 tutions of higher education permitted
22 to be expended by the State; or

23 “(vii) any other funds that the Sec-
24 retary determines shall not be included in

1 the calculation of State fiscal support for
2 higher education for such State.

3 “(C) ADJUSTMENTS FOR BIENNIAL APPRO-
4 PRIATIONS.—The Secretary shall take into con-
5 sideration any adjustments to the calculations
6 under this paragraph that may be required to
7 accurately reflect State fiscal support for higher
8 education in States with biennial appropriation
9 cycles.

10 “(13) STATE FISCAL SUPPORT FOR HIGHER
11 EDUCATION PER FULL-TIME EQUIVALENT STU-
12 DENT.—The term ‘State fiscal support for higher
13 education per full-time equivalent student’, when
14 used with respect to a State for a fiscal year, means,
15 the amount that is equal to—

16 “(A) the State fiscal support for higher
17 education for the previous fiscal year; divided
18 by

19 “(B) the number of full-time equivalent
20 students enrolled in public institutions of higher
21 education in such State for such previous fiscal
22 year.

23 “(14) TRIBAL COLLEGE OR UNIVERSITY.—The
24 term ‘Tribal College or University’ has the meaning
25 given such term in section 316(b)(3).”.

1 **TITLE V—STUDENT SUCCESS**
2 **FUND**

3 **SEC. 501. STUDENT SUCCESS FUND.**

4 Part J of title IV of the Higher Education Act of
5 1965 (20 U.S.C. 1070 et seq.), as added by section 401,
6 is further amended by adding at the end the following:

7 **“Subpart 2—Student Success Fund**

8 **“SEC. 499I. IN GENERAL.**

9 “(a) IN GENERAL.—From amounts appropriated
10 under section 4990 for any fiscal year, the Secretary shall
11 carry out a grant program (to be known as the ‘Student
12 Success Fund’) to make grants to eligible entities to carry
13 out the activities and services described in section 499L.

14 “(b) PRIORITY.—In awarding funds under this sub-
15 part, the Secretary shall give priority to eligible entities
16 that propose to use a significant share of grant funds to
17 improve enrollment, retention, transfer, or completion
18 rates or labor market outcomes among students of color,
19 low-income students, students with disabilities, students in
20 need of remediation, first generation college students, stu-
21 dent parents, and other underserved student populations.

22 **“SEC. 499J. FEDERAL SHARE AND MATCHING FUNDS.**

23 “(a) FEDERAL SHARE.—

24 “(1) FORMULA REQUIREMENTS.—The Federal
25 share of a grant under this subpart shall be based

1 on a formula, developed by the Secretary, that ac-
2 counts for—

3 “(A) the State or Tribal College or Univer-
4 sity relative share of eligible students, as deter-
5 mined in accordance with section 499B(c);

6 “(B) the State or Tribal College or Univer-
7 sity relative share of Federal Pell Grant recipi-
8 ents; and

9 “(C) the ratio between a State or Tribal
10 College or University funding per full-time
11 equivalent (FTE) student at public institutions
12 of higher education and the average net price at
13 public 4-year institutions of higher education, in
14 such a way as to reward States and Indian
15 tribes that keep net prices for students low
16 while maintaining their fiscal support for higher
17 education.

18 “(2) FORMULA PUBLISHED BEFORE APPLICA-
19 TION DEADLINE.—The Secretary shall—

20 “(A) develop the formula described in
21 paragraph (1);

22 “(B) calculate estimated allotments for
23 each eligible entity under such formula; and

24 “(C) publish such formula and estimated
25 allotments not later than the date of the notice

1 soliciting applications for participation in the
2 program under this subpart.

3 “(b) MATCHING FUNDS.—

4 “(1) IN GENERAL.—Except as provided in para-
5 graph (2), an eligible entity participating in the pro-
6 gram under this subpart shall provide, from non-
7 Federal sources, in cash or in-kind—

8 “(A) in each of the first, second, third, and
9 fourth years of participation in the program, an
10 amount equal to 25 percent of the amount such
11 entity received under subsection (a) with re-
12 spect to such year;

13 “(B) in each of the fifth and sixth years of
14 participation in the program, an amount equal
15 to 50 percent of the amount such entity re-
16 ceived under subsection (a) with respect to such
17 year;

18 “(C) in each of the seventh and eighth
19 years of participation in the program, an
20 amount equal to 75 percent of the amount such
21 entity received under subsection (a) with re-
22 spect to such year; and

23 “(D) in the ninth year and each subse-
24 quent year thereafter of participation in the
25 program, an amount equal to 100 percent of

1 the amount such entity received under sub-
2 section (a) with respect to such year.

3 “(2) EXCEPTION FOR TRIBAL COLLEGES AND
4 UNIVERSITIES.—The Secretary may modify or waive
5 the matching fund requirements under paragraph
6 (1) in the case of an eligible entity that is a Tribal
7 College or University.

8 “(3) REALLOTMENT.—If an eligible entity re-
9 turns to the Secretary any portion of the grant
10 amount provided to such eligible entity under this
11 subpart for any fiscal year, or requests a grant
12 amount that is less than the Federal share deter-
13 mined for such entity in accordance with subsection
14 (a), the Secretary shall reallocate such excess amount
15 for the succeeding fiscal year, in addition to the
16 amounts appropriated under 4990 for such suc-
17 ceeding fiscal year.

18 “(c) SUPPLEMENT, NOT SUPPLANT.—Grant funds
19 awarded under this subpart shall be used to supplement,
20 and not supplant, other Federal, State, tribal, and local
21 funds that would otherwise be expended to carry out ac-
22 tivities assisted under this subpart.

23 **“SEC. 499K. APPLICATIONS.**

24 “(a) IN GENERAL.—To be eligible to participate in
25 the program under this subpart, an eligible entity shall

1 submit an application to the Secretary at such time, in
2 such manner, and containing such information as the Sec-
3 retary may require, including—

4 “(1) a plan that includes—

5 “(A) the amount of funds requested by the
6 eligible entity under this subpart and the in-
7 tended use of such funds;

8 “(B) how the eligible entity will use the re-
9 quested funds to implement promising and evi-
10 dence-based institutional reforms and innovative
11 practices to improve student outcomes, includ-
12 ing—

13 “(i) implementation of the reforms
14 and practices identified by such entity
15 under section 499C(b)(4); and

16 “(ii) annual implementation bench-
17 marks that the entity will use to track
18 progress in implementing such reforms and
19 practices;

20 “(C) if the eligible entity is a State, how
21 such eligible entity will support the scaling of
22 evidence-based and innovative initiatives sys-
23 tem-wide;

1 “(D) how the eligible entity will meet its
2 matching fund requirements under section
3 499J(b);

4 “(E) if the eligible entity is a State, how
5 such eligible entity will prioritize spending on
6 the public institutions of higher education speci-
7 fied in paragraph (2)(B); and

8 “(F) the improvements the eligible entity
9 anticipates in student outcomes, including im-
10 provements in transfer rates or completion
11 rates, or both; and

12 “(2) if the eligible entity is a State, an analysis
13 that includes—

14 “(A) with respect to each public institution
15 of higher education of the eligible entity—

16 “(i) the total per-student funding;

17 “(ii) the amount of per-student fund-
18 ing from State-appropriated funds;

19 “(iii) the student demographics (in-
20 cluding data on race, income, disability
21 status, and remediation); and

22 “(iv) transfer and completion rates,
23 including such rates among low-income
24 students, students of color, students with

1 disabilities, and students in need of reme-
2 diation; and

3 “(B) whether, of the public institutions of
4 higher education of the eligible entity, the pub-
5 lic institutions of higher education that received
6 less funding on a per-student basis described in
7 clause (i) or (ii), or both, of subparagraph (A),
8 are serving disproportionately high shares of
9 low-income students, students of color, students
10 with disabilities, or students in need of remedi-
11 ation.

12 “(b) APPROVAL.—

13 “(1) IN GENERAL.—Not later than 180 days
14 after receiving a plan under subsection (a), the Sec-
15 retary shall—

16 “(A) approve the plan; or

17 “(B) require revisions to such plan.

18 “(2) REVISIONS REQUIRED.—An eligible entity
19 shall make such revisions as required by the Sec-
20 retary under paragraph (1)(B).

21 “(c) PUBLICATION.—The Secretary shall make each
22 plan approved under subsection (b)(1)(A) and each plan
23 revised under subsection (b)(2) available to the public on
24 the website of the Department.

1 **“SEC. 499L. PROGRAM REQUIREMENTS.**

2 “(a) GENERAL REQUIREMENTS.—

3 “(1) REPORT ON DEMONSTRATED PROGRESS.—

4 For the third year in which an eligible entity partici-
5 pates in the program under this subpart, and every
6 2 years thereafter, the eligible entity shall submit a
7 report to the Secretary, in such manner and con-
8 taining such information as the Secretary may re-
9 quire, that includes—

10 “(A) the progress in meeting the annual
11 implementation benchmarks included in the ap-
12 plication of such eligible entity under section
13 499K(a)(1)(B);

14 “(B) the progress in improving the student
15 outcomes identified by the entity under section
16 499K(a)(1)(F); and

17 “(C) with respect to the 2 years after such
18 report is submitted—

19 “(i) a plan for the use of funds under
20 this subpart; and

21 “(ii) the amount of funds requested
22 by the eligible entity under this subpart.

23 “(2) APPROVAL.—Not later than 180 days
24 after receiving a plan under paragraph (1)(C)(i), the
25 Secretary shall—

26 “(A) approve the plan; or

1 “(B) require revisions to such plan.

2 “(3) REVISIONS REQUIRED.—An eligible entity
3 shall make such revisions as required by the Sec-
4 retary under paragraph (2)(B).

5 “(b) FAILURE TO MEET REQUIREMENTS.—If an eli-
6 gible entity does not meet the annual implementation
7 benchmarks included in the application of such eligible en-
8 tity under section 499K(a)(1)(B), as required to be re-
9 ported under subsection (a)(1)(A), such eligible entity
10 shall submit to the Secretary, at such time and in such
11 manner as the Secretary may require—

12 “(1) a written explanation for the delay in
13 meeting such requirements; and

14 “(2) a plan that will enable such eligible entity
15 to meet such requirements not later than 1 year
16 after the date on which the eligible entity submitted
17 the written explanation under paragraph (1).

18 “(c) PUBLICATION.—The Secretary shall make each
19 plan approved under subsection (a)(2)(A), each plan re-
20 vised under subsection (a)(3), and each plan submitted
21 under subsection (b)(2) available to the public on the
22 website of the Department.

23 **“SEC. 499M. ALLOWABLE USES OF FUNDS.**

24 “(a) IN GENERAL.—Except as provided in subsection
25 (b), an eligible entity shall use a grant under this subpart

1 only to carry out the plan approved or revised for such
2 year under section 499K.

3 “(b) USE OF FUNDS FOR ADMINISTRATIVE PUR-
4 POSES.—An eligible entity that receives a grant under this
5 subpart may use not more than 5 percent of such grant
6 for administrative purposes relating to the grant under
7 this subpart.

8 “(c) PROHIBITED USES OF FUNDS.—No funds re-
9 ceived under this section shall be used to—

10 “(1) pay contractors for the provision of pre-en-
11 rollment recruitment activities through a revenue
12 sharing agreement; or

13 “(2) fund endowments, athletics, sectarian in-
14 struction, or religious worship.

15 **“SEC. 499N. ELIGIBLE ENTITY DEFINED.**

16 “In this subpart, the term ‘eligible entity’ means a
17 State or Tribal College or University that is a recipient
18 of a grant under subpart 1.

19 **“SEC. 499O. APPROPRIATIONS.**

20 “(a) AUTHORIZATION AND APPROPRIATIONS.—There
21 are authorized to be appropriated, and there are appro-
22 priated to carry out this subpart (in addition to any other
23 amounts appropriated to carry out this subpart and out
24 of any money in the Treasury not otherwise appropriated),

1 \$1,000,000,000 for fiscal year 2025 and each succeeding
2 fiscal year.

3 “(b) AVAILABILITY.—Funds appropriated under sub-
4 section (a) shall remain available to the Secretary until
5 expended.”.

6 **TITLE VI—PATHWAYS TO STU-**
7 **DENT SUCCESS FOR HISTORI-**
8 **CALLY BLACK COLLEGES AND**
9 **UNIVERSITIES, TRIBAL COL-**
10 **LEGES AND UNIVERSITIES,**
11 **AND MINORITY-SERVING IN-**
12 **STITUTIONS**

13 **SEC. 601. GRANTS TO HISTORICALLY BLACK COLLEGES**
14 **AND UNIVERSITIES, TRIBAL COLLEGES AND**
15 **UNIVERSITIES, AND MINORITY-SERVING IN-**
16 **STITUTIONS.**

17 Part J of title IV of the Higher Education Act of
18 1965 (20 U.S.C. 1070 et seq.), as added and amended
19 by this Act, is further amended by adding at the end the
20 following:

1 **“Subpart 3—Grants to Historically Black Colleges**
2 **and Universities, Tribal Colleges and Univer-**
3 **sities, and Minority-Serving Institutions**

4 **“SEC. 499P. PATHWAYS TO STUDENT SUCCESS FOR HIS-**
5 **TORICALLY BLACK COLLEGES AND UNIVER-**
6 **SITIES.**

7 “From amounts appropriated under section 499U(a)
8 for any fiscal year, the Secretary shall award grants to
9 participating historically Black colleges or universities
10 that meet the requirements of section 499S(a) to—

11 “(1) encourage students to enroll and success-
12 fully complete a bachelor’s degree at such colleges
13 and universities;

14 “(2) provide incentives to community college
15 students to transfer to such colleges and universities
16 through strong transfer pathways to complete a
17 bachelor’s degree program; and

18 “(3) support such colleges and universities to
19 better serve new and existing students by engaging
20 in reforms and innovations designed to improve com-
21 pletion rates and other student outcomes.

22 **“SEC. 499Q. PATHWAYS TO STUDENT SUCCESS FOR TRIBAL**
23 **COLLEGES AND UNIVERSITIES.**

24 “From amounts appropriated under section 499U(a)
25 for any fiscal year, the Secretary shall award grants to

1 participating Tribal Colleges or Universities that meet the
2 requirements of section 499S(a) to—

3 “(1) encourage students to enroll and success-
4 fully complete a bachelor’s degree at such Colleges
5 and Universities;

6 “(2) provide incentives to community college
7 students to transfer to such Colleges and Univer-
8 sities through strong transfer pathways to complete
9 a bachelor’s degree program; and

10 “(3) support such Colleges and Universities to
11 better serve new and existing students by engaging
12 in reforms and innovations designed to improve com-
13 pletion rates and other student outcomes.

14 **“SEC. 499R. PATHWAYS TO STUDENT SUCCESS FOR ALASKA**
15 **NATIVE-SERVING INSTITUTIONS, ASIAN**
16 **AMERICAN AND NATIVE AMERICAN PACIFIC**
17 **ISLANDER-SERVING INSTITUTIONS, HIS-**
18 **PANIC-SERVING INSTITUTIONS, NATIVE**
19 **AMERICAN-SERVING NONTRIBAL INSTITU-**
20 **TIONS, NATIVE HAWAIIAN-SERVING INSTITU-**
21 **TIONS, AND PREDOMINANTLY BLACK INSTI-**
22 **TUTIONS.**

23 “From amounts appropriated under section 499U(a)
24 for any fiscal year, the Secretary shall award grants to
25 participating Alaska Native-serving institutions, Asian

1 American and Native American Pacific Islander-serving
2 institutions, Hispanic-serving institutions, Native Amer-
3 ican-serving nontribal institutions, Native Hawaiian-serv-
4 ing institutions, and Predominantly Black institutions
5 that meet the requirements of section 499S(a) to—

6 “(1) encourage students to enroll and success-
7 fully complete a bachelor’s degree at such institu-
8 tions;

9 “(2) provide incentives to community college
10 students to transfer to such institutions through
11 strong transfer pathways to complete a bachelor’s
12 degree program; and

13 “(3) support such institutions to better serve
14 new and existing students by engaging in reforms
15 and innovations designed to improve completion
16 rates and other student outcomes.

17 **“SEC. 499S. GRANT TERMS.**

18 “(a) INSTITUTIONAL ELIGIBILITY.—An institution
19 shall meet the requirements of this subsection if the insti-
20 tution—

21 “(1) in a public or nonprofit 4-year institution
22 that has a student body of which not less than 35
23 percent are low-income students;

24 “(2) commits to maintaining or adopting and
25 implementing promising and evidence-based institu-

1 tional reforms and innovative practices to improve
2 the completion rates and other student outcomes,
3 such as—

4 “(A) providing comprehensive academic,
5 career, and student support services (including
6 mentoring, advising, case management services,
7 and career pathway navigation), especially for
8 low-income, first-generation, and adult stu-
9 dents, and other students belonging to racial
10 and other groups that are historically underrep-
11 resented in higher education;

12 “(B) providing direct support services, or
13 assistance in applying for such services, such
14 as—

15 “(i) childcare, transportation, and
16 emergency financial assistance;

17 “(ii) assistance in obtaining health in-
18 surance coverage and accessing health care
19 services, including behavioral and mental
20 health services;

21 “(iii) affordable housing;

22 “(iv) nutrition assistance programs or
23 free or discounted food; and

1 “(v) means-tested Federal benefit pro-
2 grams, or similar State, tribal, or local
3 benefit programs;

4 “(C) providing accelerated learning oppor-
5 tunities and degree pathways, such as dual or
6 concurrent enrollment programs and pathways
7 to graduate and professional degree programs;

8 “(D) partnering with employers, industry,
9 nonprofit associations, and other groups to pro-
10 vide opportunities to advance learning outside
11 the classroom, including—

12 “(i) work-based learning opportunities
13 (such as internships or apprenticeships); or

14 “(ii) programs designed to improve
15 inter-cultural development and personal
16 growth (such as foreign exchange and
17 study abroad programs); or

18 “(E) strengthening remedial education, es-
19 pecially for low-income, first-generation, and
20 adult students, and other students belonging to
21 racial and other groups that are historically
22 underrepresented in higher education, including
23 through the use of multiple measures (such as
24 a student’s college entrance examination score,
25 grade point average, high school course list, or

1 a placement examination) to identify students
2 in need of remedial education;

3 “(3) sets performance goals for improving stu-
4 dent outcomes for the duration of the grant; and

5 “(4) if receiving a grant for transfer students,
6 has a formal, statewide articulation agreement with
7 community colleges in the State in which such insti-
8 tution operates that guarantees—

9 “(A) that a student who earns postsec-
10 ondary credit at any community college in such
11 State shall be able to fully transfer such credit
12 toward meeting related degree or certificate re-
13 quirements at such institution; and

14 “(B) that associate degrees awarded by
15 community colleges in the State are fully trans-
16 ferable to, and credited as, the first 2 years of
17 related baccalaureate programs at such institu-
18 tion.

19 “(b) GRANT AMOUNT.—

20 “(1) INITIAL AMOUNT.—For the first year that
21 an eligible institution participates in the grant pro-
22 gram under this subpart and subject to paragraph
23 (3), such eligible institution shall receive a grant in
24 an amount based on the product of—

1 “(A) the actual cost of tuition and fees at
2 the eligible institution in such year (referred to
3 in this subpart as the per-student rebate); and

4 “(B) the number of eligible students en-
5 rolled in the eligible institution for the pre-
6 ceding year.

7 “(2) SUBSEQUENT INCREASES.—For each suc-
8 ceeding year after the first year of the grant pro-
9 gram under this subpart, each participating eligible
10 institution shall receive a grant in the amount deter-
11 mined under paragraph (1) for such year, except
12 that in no case shall the amount of the per-student
13 rebate for an eligible institution increase by more
14 than 3 percent as compared to the amount of such
15 rebate for the preceding year.

16 “(3) LIMITATIONS.—

17 “(A) MAXIMUM PER-STUDENT REBATE.—
18 No eligible institution participating in the grant
19 program under this subpart shall receive a per-
20 student rebate amount for any year that is
21 greater than the national average of annual tui-
22 tion and fees at public 4-year institutions of
23 higher education for such year, as determined
24 by the Secretary.

1 “(B) FIRST-YEAR TUITION AND FEES.—

2 During the first year of participation in the
3 grant program under this subpart, no eligible
4 institution may increase tuition and fees at a
5 rate greater than any annual increase at the eli-
6 gible institution in the previous 5 years.

7 “(4) STUDENTS ENROLLED LESS THAN FULL-
8 TIME.—The Secretary shall develop and implement a
9 formula for making adjustments to grant amounts
10 under this subpart based on the number of eligible
11 students at each eligible institution enrolled less
12 than full-time and the associated tuition and fees
13 charged to such students in proportion to the degree
14 to which each such student is not attending on a
15 full-time basis.

16 “(c) APPLICATION.—An eligible institution that de-
17 sires a grant under this subpart shall submit an applica-
18 tion to the Secretary at such time, in such manner, and
19 containing such information as the Secretary may require.

20 “(d) USE OF FUNDS.—Funds awarded under this
21 subpart to a participating eligible institution shall be used
22 to waive or significantly reduce tuition and fees for eligible
23 students by an amount not to exceed the annual per-stu-
24 dent rebate amount. Such funds under this subpart may
25 only be used to waive or reduce tuition and fees for the

1 first 60 credits for which an eligible student is enrolled
2 in the participating eligible institution.

3 “(e) SUPPLEMENT, NOT SUPPLANT.—Funds made
4 available under section 499U to carry out this subpart
5 shall be used to supplement, and not supplant, other Fed-
6 eral, State, tribal, and local funds that would otherwise
7 be expended to carry out activities under this subpart.

8 **“SEC. 499T. DEFINITIONS.**

9 “In this subpart:

10 “(1) ALASKA NATIVE-SERVING INSTITUTION.—
11 The term ‘Alaska Native-serving institution’ has the
12 meaning given such term in section 317(b).

13 “(2) ASIAN AMERICAN AND NATIVE AMERICAN
14 PACIFIC ISLANDER-SERVING INSTITUTION.—The
15 term ‘Asian American and Native American Pacific
16 Islander-serving institution’ has the meaning given
17 such term in section 371(c).

18 “(3) ELIGIBLE STUDENT.—The term ‘eligible
19 student’ means a student, regardless of age, who—

20 “(A) is enrolled in an eligible program (as
21 defined in section 481(b)) at a participating eli-
22 gible institution, on at least a half-time basis;

23 “(B) is a low-income student;

1 “(C) has been enrolled at such partici-
2 pating eligible institution under this subpart for
3 not more than 60 credits; and

4 “(D) has not been enrolled (whether full-
5 time or less than full-time) for more than 6 se-
6 mesters (or the equivalent) for which the stu-
7 dent received a benefit under this subpart.

8 “(4) HISPANIC-SERVING INSTITUTION.—The
9 term ‘Hispanic-serving institution’ has the meaning
10 given such term in section 502.

11 “(5) HISTORICALLY BLACK COLLEGE OR UNI-
12 VERSITY.—The term ‘historically Black college or
13 university’ means a part B institution described in
14 section 322(2).

15 “(6) LOW-INCOME STUDENT.—The term ‘low-
16 income student’ shall include—

17 “(A) any student eligible for a Federal Pell
18 Grant under section 401; and

19 “(B) any student who meets the financial
20 eligibility criteria for receiving a Federal Pell
21 Grant under section 401, but who is ineligible
22 to receive a Federal Pell Grant.

23 “(7) NATIVE AMERICAN-SERVING NONTRIBAL
24 INSTITUTION.—The term ‘Native American-serving

1 nontribal institution’ has the meaning given such
2 term in section 371(c).

3 “(8) NATIVE HAWAIIAN-SERVING INSTITU-
4 TION.—The term ‘Native Hawaiian-serving institu-
5 tion’ has the meaning given such term in section
6 317(b).

7 “(9) PREDOMINANTLY BLACK INSTITUTION.—
8 The term ‘Predominantly Black institution’ has the
9 meaning given such term in section 371(c).

10 “(10) TRIBAL COLLEGE OR UNIVERSITY.—The
11 term ‘Tribal College or University’ has the meaning
12 given the term in section 316(b)(3).

13 **“SEC. 499U. APPROPRIATIONS.**

14 “(a) AUTHORIZATION AND APPROPRIATIONS FOR
15 HBCU, TCU, AND MSI GRANTS.—For the purpose of
16 carrying out this subpart there are authorized to be appro-
17 priated, and there are appropriated—

18 “(1) \$98,100,000 for fiscal year 2025;

19 “(2) \$321,040,000 for fiscal year 2026;

20 “(3) \$1,912,010,000 for fiscal year 2027;

21 “(4) \$1,988,710,000 for fiscal year 2028;

22 “(5) \$2,068,960,000 for fiscal year 2029;

23 “(6) \$2,151,010,000 for fiscal year 2030;

24 “(7) \$2,184,900,000 for fiscal year 2031;

25 “(8) \$2,329,370,000 for fiscal year 2032;

1 “(9) \$2,423,910,000 for fiscal year 2033; and

2 “(10) \$2,521,990,000 for fiscal year 2034 and

3 each succeeding fiscal year.

4 “(b) AVAILABILITY.—Funds appropriated under sub-

5 section (a) for a fiscal year are to remain available to the

6 Secretary through the two fiscal years following such fiscal

7 year.

8 “(c) INSUFFICIENT FUNDS.—If the amount appro-

9 priated under subsection (a) for a fiscal year is not suffi-

10 cient to award each institution participating in the grant

11 programs under sections 499P, 499Q, and 499R a grant

12 under this subpart equal to 100 percent of the grant

13 amount determined under section 499S(b), the Secretary

14 may ratably reduce the amount of each such grant or take

15 other actions necessary to ensure an equitable distribution

16 of such amount appropriated under subsection (a).”.

